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January 10, 2022

The Honorable Tom Malinowski U.S. House of Representatives 1318 Longworth House Office Building Washington, D.C. 20515

Dear Congressman Malinowski:

As outside counsel for and on behalf of NSO Group, we are writing to respond to your letter of December 15, 2021, to Secretary Yellen and Secretary Blinken.

We believe that NSO's tools – which are licensed by the Israeli Ministry of Defense under American ITAR-modeled export control regulations and are exclusively operated by the customer - are in fact a force for good in the world. NSO's tools provide limited and specifically targeted intelligence capabilities that have been repeatedly used for instance to help rescue scores of children from human trafficking as well as stopping numerous terrorist attacks.

NSO's Pegasus customers are <u>solely</u> law enforcement and intelligence agencies, and by far are mainly democratic allies of the U.S. and Israel in Western Europe. Customers are the only ones who can operate Pegasus, and they favor our tool as only they – not NSO – have access to the information generated by Pegasus. Further, Pegasus allows law enforcement to monitor criminal communications on end-to-end encryption apps without having to resort to using more intrusive capabilities, such as mass surveillance technology, backdoors, or procurement of tools produced largely to enable disallowed industrial espionage.

NSO Group, like any other responsible cyber intelligence company, worries about improper or otherwise abusive use of its tools against journalists, human rights advocates, and others. Such concerns are why, as outlined in detail below, NSO has strict protocols in place to avoid misuse of its products and to terminate access to such products in cases where misuse has been alleged.

NSO conducts rigorous due diligence on all prospective clients, utilizing an Internal Risk Assessment that assesses reams of data, including nine different global indices that measure the human rights metrics of potential state clients such as transparency, democracy scores, and privacy. If that Internal Risk Assessment determines that the potential customer presents a material risk for misusing Pegasus, NSO will terminate its sales discussions.

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NSO has had that risk assessment process in place for years, making it the cyber intelligence community's leading human rights protection program. No other cyber intelligence company can in fact claim to adhere to the international standards of the United Nations Guiding Principles on Business and Human Rights ("UNGPs") and the Organization for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises ("OECD Guidelines").

In addition to the aforementioned Internal Risk Assessment, no sale of NSO's Pegasus cyber intelligence tool can or will occur unless and until all of the following multiple conditions have been met:

- The potential customer is a government law enforcement or intelligence agency (e.g. Pegasus is not available for sale to, or use by, individuals or private companies);
- NSO has been granted a marketing license by the Israeli government to speak with that specific potential customer;
- o NSO has completed the aforementioned Internal Risk Assessment and determined that the potential customer does not pose a material risk for misusing Pegasus;
- NSO has been granted an export license by the Israeli government using a review process specifically modeled on the U.S.'s International Traffic in Arms Regulation (ITAR) program; and
- o The customer signs an End User Agreement with the Israeli government requiring immediate revocation of the export license if the Pegasus tool is used for any purposes other than lawful counter-terrorism, anti-human trafficking, counternarcotics, anti-child sexual abuse, or other specified lawful purposes.

Under these procedures, NSO has internally determined that dozens of countries are ineligible for Pegasus sales. In fact, NSO has forfeited approximately hundreds of millions of dollars in potential sales over the past five years with prospects who failed to meet our Internal Risk Assessment standards. Indeed there are now over 90 countries that NSO will not do business with as a result of human rights concerns and/or Israeli government prohibitions.

In addition, NSO has the right and capability to immediately and irrevocably terminate any Pegasus deployment if there is even an allegation of misuse by a customer. Such terminations are anything but an idle threat: NSO Group has remotely terminated customer access to Pegasus upon learning of alleged misuse of the tool and will not give said customers future access to Pegasus.

We steadfastly believe that once you have been more fully briefed on the above measures, you will understand that NSO's products and processes are designed to support human rights, not an enable abuses thereof.

Still, while NSO stands behinds all of these programs, NSO realizes that they could always be improved upon. Accordingly, as previously communicated to the Administration and numerous congressional offices, NSO stands ready and willing to work with the U.S. government to identify and develop global standards that reflect shared values – protecting citizens of the United States and safeguarding human rights and privacy concerns.

To that end, we welcome the opportunity to brief you in greater detail about the innumerable terrible crimes Pegasus has been used to prevent and receive input on how NSO can further improve its human rights program and other internal controls to minimize the possibility of the misuse of Pegasus by NSO's customers.

Please feel free to contact us to schedule any briefings, whether in person or virtual.

I can be reached at <u>brian.finch@pillsburylaw.com</u> or 202-663-8062. Thank you again for your consideration.

Respectfully,

Brian E. Finch

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Partner

These materials are distributed by Pillsbury Winthrop Shaw Pittman LLP on behalf of NSO Group. Additional information is on file with the FARA Registration Unit of the Department of Justice, Washington, DC.